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CSH responses to questions from stakeholders meeting re: Prop 63

1. The most important changes in the public health system due to implementation of Prop 63 :

In five years ...

- There will be a significant and visible reduction in the number of people with mental illness who are living on the streets or in emergency shelters, or in jails or prisons.
- People who are homeless and mentally ill will be a priority focus for the mental health systems of care in every community, and services will be tailored to meet their needs effectively and to help them get and keep housing.
- County mental health departments and their subcontractor agencies will be active partners in funding and implementing strategies that are part of city and county 10-year plans to end chronic homelessness, and they will be on track to achieve the goals of these plans. (As of fall 2004 these plans have been adopted or are in development in more than a dozen California cities and counties.)
- California's Department of Mental Health will be an active partner in a state Interagency Council on Homelessness, and the Council will be a forum for ensuring that Prop 63 resources are used effectively in combination with resources from other state programs, to help end homelessness for people with mental illness.
- At the state level and in each county, stakeholders from systems that provide care to people with mental illness, who have historically been un-served or under-served in the mental health system, have become active partners in planning, implementation, and oversight of the programs funded through Prop 63. Stakeholders in the mental health system will recognize that they cannot achieve their goals without effective participation by representatives from sectors and/or relevant interagency bodies including the Homeless Continuum of Care, affordable and supportive housing, initiatives targeting frequent users of health services, criminal justice and community re-entry, child welfare / foster care, substance abuse treatment and recovery support, education and employment, and others as appropriate.
- The availability of reliable funding through Prop 63 will ensure that affordable and supportive housing providers are enthusiastic and successful in using funding from other sources (including California's Housing Bond, loan programs administered by CalHFA, federal programs administered by HUD and local housing authorities, and the Low Income Housing Tax Credit Program) to create a major increase

- in the supply of housing designed to meet the needs of people with mental illness, particularly those who have been homeless or at risk of homelessness.

2. Critical components for successful public planning processes at the state and local levels

As suggested above in our vision for the future: at the state level and in each county, stakeholders from systems that provide care to people with mental illness, who have historically been un-served or under-served in the mental health system, must be active partners in the planning process, as well as in implementation, and oversight of the programs funded through Prop 63. In particular, stakeholders from existing or recently convened program initiatives (e.g. MIOCR, Child Welfare Re-design) that have worked to develop interagency approaches to meeting the needs of people with mental illness should be included in the process. The process should include participation by representatives from sectors and/or relevant interagency bodies listed below:

- Homeless Continuum of Care and/or groups convened by Mayors and Counties to establish 10-year plans to end homelessness. (CSH can provide more information about how to identify and facilitate participation by these groups. A list of communities with 10-year plans is available at www.ich.gov/library/10-year-plan-cities.pdf)
- Affordable and supportive housing providers (usually participants in the groups listed above, but also may be engaged through statewide and regional organizations; again CSH can provide more detailed contact information.)
- Initiatives targeting frequent users of health services (for more information about projects in 6 counties that have received implementation grants please see www.frequenthealthusers.org)
- Collaborative Initiatives in Los Angeles, San Francisco, and Contra Costa County that were recently awarded federal funding to integrate housing, healthcare and treatment services for people who are chronically homeless. (CSH can provide more information about these initiatives)
- Program initiatives that focus on criminal justice and community re-entry for people with mental illness,
- Child welfare / foster care, including local programs and/or collaborations that focus on transition-aged youth
- Substance abuse treatment and recovery support programs that serve people with co-occurring disorders (particularly those that serve target populations identified in the recommendations adopted earlier this year by the Co-occurring Disorders Workgroup established by DMH/ADP)
- Employment programs, particularly those tailored to meet the needs of people who are homeless and living with mental illness, and
- Others as appropriate.

In addition to engaging participation by an expanded group of stakeholders in planning for the implementation of Prop 63, as suggested above, counties will need to work with others, particularly cities and those who manage or understand state and federal funding in order to develop meaningful plans to address the critical housing needs of people with mental illness. Such a focused planning effort should include consideration of existing housing stock, and current unmet needs in each county, to identify gaps that can be met through strategic investments of federal, state, and other resources controlled by cities and public housing authorities, in combination with new Prop 63 resources. County mental health departments and stakeholders in the mental health system often lack the technical expertise and familiarity with financing tools needed to achieve their housing goals. The counties will need to commit to participate in interagency planning to establish

achievable short term and longer term goals and strategies, and to coordinate investments to meet the housing needs of people with mental illness, in order to achieve the housing outcomes promised by Prop 63.

3. Important policy issues that need timely clarification

- **Target population:** It will be important to clarify the target population for programs established with this funding. We are particularly concerned that the target population should include those with mental health needs and complex barriers to stability, who are often excluded from the current under-funded system of mental health services. This includes people with co-occurring substance use disorders, those who are homeless and mentally ill, and those who have less severe mental health problems in combination with other health conditions.
- **Using Prop 63 resources to meet housing needs:** We believe that a broad and flexible approach to using Prop 63 funding for costs related to housing for people with mental illness will offer communities and providers the capacity to “do whatever it takes” to meet the needs of consumers, but the greatest impact will be achieved if these funds are used in combination with other housing resources. DMH should work in partnership with other state agencies (e.g. CalHFA and HCD) as well as HUD to articulate clear guidelines for the most appropriate use of these new funds to pay for supportive services and/or housing operating costs or rental assistance as needed, in combination with resources from other state and federal programs that can pay for capital and other housing costs.
- **Criteria / definitions applicable to funding for “innovative” programs:** We recommend that guidelines for the use of funds set aside for innovative program should create very strong incentives for projects that will promote interagency collaboration, building upon the plans and pilot projects that have been launched through collaborative program initiatives targeting those who have been un- or under-served in the mental health system. In particular, this would include sustaining, expanding, and/or replicating collaborative programs like those included in our response to question 2.
- **Potential for using Prop 63 funding to leverage substantial increases in Federal Financial Participation through Medi-Cal:** As we indicated in our comment at the stakeholders meeting, if enacted, Prop 63 will provide a significant increase in state General Fund support for mental health services based upon a recovery model, and this funding could leverage significant increases in Federal Financial Participation through the Medi-Cal program. To maximize federal revenue, California will need to revise its state Medicaid Plan to incorporate provisions that are adapted to the principles of Recovery that are articulated in the Proposition. Revisions are also needed to expand the potential for using Medi-Cal to pay for a broader range of services for people with co-occurring substance use problems, and for more appropriate and integrated care for those whose mental health problems contribute to problems in obtaining and using other health services effectively. CSH has developed a set of recommendations for Medi-Cal redesign, and Prop 63 could provide the state’s share of funding for expanded coverage and/or new definitions of covered benefits, consistent with these and other recommendations for transforming the mental health system.